



General Assembly

January Session, 2007

***Amendment***

LCO No. 6535

**\*SB0011006535SD0\***

Offered by:  
SEN. CRISCO, 17<sup>th</sup> Dist.

To: Senate Bill No. 110

File No. 12

Cal. No. 61

***"AN ACT REDUCING LICENSE RENEWAL FEES FOR REAL ESTATE BROKERS AND SALESPERSONS."***

1 Strike everything after the enacting clause and insert the following  
2 in lieu thereof:

3 "Section 1. Section 20-311e of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective October 1, 2007*):

5 The commission shall deposit all moneys received by it from fees in  
6 accordance with the provisions of this chapter with the State Treasurer,  
7 and they shall, except as to that portion thereof required to be paid  
8 over to The University of Connecticut under the provisions of section  
9 10a-125, or that portion required to be paid to the Real Estate Guaranty  
10 and Enforcement Fund pursuant to this chapter, become part of the  
11 General Fund.

12 Sec. 2. Subsection (f) of section 20-314 of the general statutes is  
13 repealed and the following is substituted in lieu thereof (*Effective*  
14 *October 1, 2007*):

15 (f) All licenses issued under the provisions of this chapter shall  
16 expire annually. At the time of application for a real estate broker's  
17 license, there shall be paid to the commission, for each individual  
18 applicant and for each proposed active member or officer of a firm,  
19 partnership, association or corporation, the sum of four hundred fifty  
20 dollars, and for the annual renewal thereof, the sum of [three] two  
21 hundred ninety-seven dollars and for a real estate salesperson's license  
22 two hundred twenty-five dollars and for the annual renewal thereof  
23 the sum of two hundred [twenty-five] twenty-two dollars. [Three  
24 dollars of each such annual renewal fee shall be payable to the Real  
25 Estate Guaranty Fund established pursuant to section 20-324a.] If a  
26 license is not issued, the fee shall be returned. A real estate broker's  
27 license issued to any partnership, association or corporation shall  
28 entitle the individual designated in the application, as provided in  
29 section 20-312, upon compliance with the terms of this chapter, but  
30 without the payment of any further fee, to perform all of the acts of a  
31 real estate broker under this chapter on behalf of such partnership,  
32 association or corporation. Any license which expires and is not  
33 renewed pursuant to this subsection may be reinstated by the  
34 commission, if, not later than two years after the date of expiration, the  
35 former licensee pays to the commission for each real estate broker's  
36 license the sum of three hundred dollars and for each real estate  
37 salesperson's license the sum of two hundred twenty-five dollars for  
38 each year or fraction thereof from the date of expiration of the previous  
39 license to the date of payment for reinstatement, except that any  
40 licensee whose license expired after such licensee entered military  
41 service shall be reinstated without payment of any fee if an application  
42 for reinstatement is filed with the commission within two years after  
43 the date of expiration. Any such reinstated license shall expire on the  
44 next succeeding April thirtieth.

45 Sec. 3. Section 20-314a of the general statutes is repealed and the  
46 following is substituted in lieu thereof (*Effective October 1, 2007*):

47 (a) The Commissioner of Consumer Protection, with the advice and  
48 assistance of the commission, may adopt regulations, in accordance

49 with chapter 54, relating to the approval of schools offering courses in  
50 real estate principles and practice and related subjects, or real estate  
51 student intern programs, the content of such courses or programs and  
52 the advertising to the public of the services of such schools. Such  
53 regulations may require such schools to pay a fee not to exceed  
54 twenty-five dollars upon approval of each such course. Any fees  
55 collected pursuant to this subsection shall be deposited in the Real  
56 Estate Guaranty and Enforcement Fund established pursuant to  
57 section 20-324a, as amended by this act. Such regulations shall not  
58 require (1) approval of instructors at such schools, or (2) a course to be  
59 conducted in a classroom location approved for such use by a local fire  
60 marshal provided the course is conducted in a hotel, restaurant or  
61 other public building or a place of public assembly, as defined in  
62 section 19-13-B105 of the regulations of Connecticut state agencies.

63 (b) The commission may exempt any applicant for a real estate  
64 broker's license from the requirements concerning experience under  
65 the provisions of subsection (d) of section 20-314, if the commission  
66 determines that such applicant is unable to meet such requirements  
67 solely because such applicant has been subjected to discrimination  
68 based on race, creed or color, which discrimination interfered with  
69 such applicant's ability to meet such requirements.

70 Sec. 4. Section 20-320 of the general statutes is repealed and the  
71 following is substituted in lieu thereof (*Effective October 1, 2007*):

72 The Department of Consumer Protection may, upon the request of  
73 the commission or upon the verified complaint in writing of any  
74 person, if such complaint, or such complaint together with evidence,  
75 documentary or otherwise, presented in connection with such  
76 complaint, shall make out a prima facie case, investigate the actions of  
77 any real estate broker or real estate salesperson or any person who  
78 assumes to act in any of such capacities within this state. The  
79 commission may temporarily suspend or permanently revoke any  
80 license issued under the provisions of this chapter and, in addition to  
81 or in lieu of such suspension or revocation, may, in its discretion,

82 impose a [fine] civil penalty of not more than two thousand dollars at  
83 any time when, after proceedings as provided in section 20-321, the  
84 commission finds that the licensee has by false or fraudulent  
85 misrepresentation obtained a license or that the licensee is guilty of  
86 any of the following: (1) Making any material misrepresentation; (2)  
87 making any false promise of a character likely to influence, persuade  
88 or induce; (3) acting as an agent for more than one party in a  
89 transaction without the knowledge of all parties for whom the licensee  
90 acts; (4) representing or attempting to represent a real estate broker  
91 other than the licensee's employer or the broker with whom the  
92 licensee is affiliated, without the express knowledge and consent of the  
93 licensee's employer or affiliated broker; (5) failing, within a reasonable  
94 time, to account for or remit any moneys coming into the licensee's  
95 possession which belong to others; (6) entering into an exclusive listing  
96 contract or buyer agency contract which contains a fixed termination  
97 date if such contract also provides for an automatic continuation of the  
98 period of such contract beyond such date; (7) failing to deliver  
99 immediately a copy of any instrument to any party or parties  
100 executing the instrument, where such instrument has been prepared  
101 by the licensee or under the licensee's supervision and where such  
102 instrument relates to the employment of the licensee or to any matters  
103 pertaining to the consummation of a lease, or the purchase, sale or  
104 exchange of real property or any other type of real estate transaction in  
105 which the licensee may participate as a broker or a salesperson; (8)  
106 conviction in a court of competent jurisdiction of forgery,  
107 embezzlement, obtaining money under false pretenses, larceny,  
108 extortion, conspiracy to defraud, or other like offense or offenses,  
109 provided suspension or revocation under this subdivision shall be  
110 subject to the provisions of section 46a-80; (9) collecting compensation  
111 in advance of services to be performed and failing, upon demand of  
112 the person paying the compensation or the commission, to render an  
113 accounting of the use of such money; (10) commingling funds of others  
114 with the licensee's own, or failing to keep funds of others in an escrow  
115 or trustee account; (11) any act or conduct which constitutes dishonest,  
116 fraudulent or improper dealings; (12) failing to provide the disclosures

117 required by section 20-325c; (13) a violation of any provision of this  
118 chapter or any regulation adopted under this chapter. Any [fine] civil  
119 penalty collected pursuant to this section shall be deposited in the Real  
120 Estate Guaranty and Enforcement Fund established pursuant to  
121 section 20-324a, as amended by this act.

122 Sec. 5. Section 20-321 of the general statutes is repealed and the  
123 following is substituted in lieu thereof (*Effective October 1, 2007*):

124 Before refusing, suspending or revoking any license or imposing  
125 any fine or civil penalty under this chapter, the commission shall give  
126 notice and afford an opportunity for hearing as provided in the  
127 regulations adopted by the Commissioner of Consumer Protection.

128 Sec. 6. Section 20-324a of the general statutes is repealed and the  
129 following is substituted in lieu thereof (*Effective October 1, 2007*):

130 The commission shall establish and maintain a Real Estate Guaranty  
131 and Enforcement Fund from which, subject to the provisions of  
132 sections 20-324a to 20-324j, inclusive, (1) any person aggrieved by any  
133 action of a real estate broker or real estate salesperson, duly licensed in  
134 this state under section 20-312, by reason of the embezzlement of  
135 money or property, or money or property unlawfully obtained from  
136 any person by false pretenses, artifice, trickery or forgery or by reason  
137 of any fraud, misrepresentation or deceit by or on the part of any such  
138 real estate broker or real estate salesperson or the unlicensed employee  
139 of any such real estate broker, may recover, upon approval by the  
140 commission of an application brought pursuant to the provisions of  
141 section 20-324e, compensation in an amount not exceeding in the  
142 aggregate the sum of twenty-five thousand dollars in connection with  
143 any one real estate transaction or claim, regardless of the number of  
144 persons aggrieved or parcels of real estate involved in such real estate  
145 transaction or claim, and (2) the commissioner may be reimbursed for  
146 any costs incurred to investigate claims or prevent or forestall claims  
147 against such fund.

148 Sec. 7. Section 20-324b of the general statutes is repealed and the

149 following is substituted in lieu thereof (*Effective October 1, 2007*):

150 Any person who receives a real estate broker's or real estate  
151 salesperson's license under this chapter for the first time shall pay an  
152 additional one-time fee of twenty dollars in addition to all other fees  
153 payable, which additional fee shall be credited to the Real Estate  
154 Guaranty and Enforcement Fund. The Real Estate Guaranty and  
155 Enforcement Fund shall also be credited as provided in sections 20-314  
156 and 20-320, as amended by this act.

157 Sec. 8. Section 20-324c of the general statutes is repealed and the  
158 following is substituted in lieu thereof (*Effective October 1, 2007*):

159 The commission shall maintain the Real Estate Guaranty and  
160 Enforcement Fund at a level not to exceed five hundred thousand  
161 dollars and to this intent moneys received under section 20-324b, as  
162 amended by this act, shall be credited to said fund whenever the fund  
163 balance is below five hundred thousand dollars. Any such moneys  
164 may be invested or reinvested in the same manner as funds of the state  
165 employees retirement system. The interest arising from such  
166 investments shall be credited to the Real Estate Guaranty and  
167 Enforcement Fund whenever the fund balance is below five hundred  
168 thousand dollars, and to the General Fund whenever the fund balance  
169 is equal to or greater than five hundred thousand dollars. Any moneys  
170 received under section 20-324b, as amended by this act, not required to  
171 maintain the Real Estate Guaranty and Enforcement Fund balance  
172 shall be deposited to the General Fund. All moneys in the Real Estate  
173 Guaranty and Enforcement Fund in excess of five hundred thousand  
174 dollars, shall be transferred by the State Treasurer to the General Fund.

175 Sec. 9. Section 20-324d of the general statutes is repealed and the  
176 following is substituted in lieu thereof (*Effective October 1, 2007*):

177 No application to recover compensation under sections 20-324a to  
178 20-324j, inclusive, as amended by this act, which might subsequently  
179 result in an order for collection from the Real Estate Guaranty and  
180 Enforcement Fund shall be brought later than two years from the final

181 determination of, or expiration of time for appeal in connection with,  
182 any judgment.

183 Sec. 10. Section 20-324e of the general statutes is repealed and the  
184 following is substituted in lieu thereof (*Effective October 1, 2007*):

185 (a) When any aggrieved person commences any action for a  
186 judgment which may result in collection from the Real Estate Guaranty  
187 and Enforcement Fund, the aggrieved person shall notify the  
188 commission in writing to this effect at the time of the commencement  
189 of such action. Such written notice shall toll the time for making  
190 application to the commission pursuant to section 20-324d, as  
191 amended by this act. The commission shall have the right to enter an  
192 appearance, intervene in or defend any such action and may waive the  
193 required written notice for good cause shown.

194 (b) When any aggrieved person recovers a valid judgment in the  
195 Superior Court against any real estate broker or real estate salesperson  
196 or the unlicensed employee of any such real estate broker for loss or  
197 damages sustained by reason of the embezzlement of money or  
198 property, or money or property unlawfully obtained from any person  
199 by false pretenses, artifice, trickery or forgery or by reason of any  
200 fraud, misrepresentation or deceit by or on the part of such real estate  
201 broker or salesperson or the unlicensed employee of any such real  
202 estate broker, such aggrieved person may upon the final determination  
203 of, or expiration of time for appeal in connection with, any judgment,  
204 apply to the commission for an order directing payment out of the Real  
205 Estate Guaranty and Enforcement Fund of the amount unpaid upon  
206 the judgment, subject to the limitations stated in section 20-324a, as  
207 amended by this act, and the limitations specified in this section. The  
208 license of any such broker or salesperson shall be automatically  
209 revoked upon the entry of such judgment.

210 (c) The commission shall proceed upon such application in a  
211 summary manner, and, upon the hearing thereof, the aggrieved person  
212 shall be required to show: (1) He is not a spouse of the debtor or the

213 personal representative of such spouse; (2) he has complied with all  
214 the requirements of this section; (3) he has obtained a judgment as  
215 provided in subsection (b) of this section, stating the amount thereof  
216 and the amount owing thereon at the date of the application; (4) he has  
217 caused to be issued a writ of execution upon the judgment and the  
218 officer executing the same has made a return showing that no personal  
219 or real property of the judgment debtor liable to be levied upon in  
220 satisfaction of the judgment could be found, or that the amount  
221 realized on the sale of them or of such of them as were found, under  
222 the execution, was insufficient to satisfy the judgment, stating the  
223 amount so realized and the balance remaining due on the judgment  
224 after application thereon of the amount realized; (5) he has made all  
225 reasonable searches and inquiries to ascertain whether the judgment  
226 debtor possesses real or personal property or other assets, liable to be  
227 sold or applied in satisfaction of the judgment; (6) that by such search  
228 he has discovered no personal or real property or other assets liable to  
229 be sold or applied, or that he has discovered certain of them,  
230 describing them, owned by the judgment debtor and liable to be so  
231 applied, and that he has taken all necessary action and proceedings for  
232 the realization thereof, and that the amount thereby realized was  
233 insufficient to satisfy the judgment, stating the amount so realized and  
234 the balance remaining due on the judgment after application of the  
235 amount realized.

236 (d) Whenever the aggrieved person satisfies the commission that it  
237 is not practicable to comply with one or more of the requirements  
238 enumerated in subdivisions (4), (5) and (6) of subsection (c) of this  
239 section and that the aggrieved person has taken all reasonable steps to  
240 collect the amount of the judgment or the unsatisfied part thereof and  
241 has been unable to collect the same, the commission may in its  
242 discretion waive such requirements.

243 (e) The commission shall order payment from the Real Estate  
244 Guaranty and Enforcement Fund of any sum it shall find to be payable  
245 upon the claim, pursuant to the provisions of and in accordance with  
246 the limitations contained in this section and section 20-324a, as



247 amended by this act, if the commission is satisfied, upon the hearing,  
248 of the truth of all matters required to be shown by the aggrieved  
249 person by subsection (c) of this section and that the aggrieved person  
250 has fully pursued and exhausted all remedies available to him for  
251 recovering the amount awarded by the judgment of the court.

252 (f) If the commission pays from the Real Estate Guaranty and  
253 Enforcement Fund any amount in settlement of a claim or toward  
254 satisfaction of a judgment against a licensed real estate broker or real  
255 estate salesperson pursuant to an order under subsection (e) of this  
256 section, such broker or salesperson shall not be eligible to receive a  
257 new license until he has repaid in full, plus interest at a rate to be  
258 determined by the commission and which shall reflect current market  
259 rates, the amount paid from the fund on his account. A discharge in  
260 bankruptcy shall not relieve a person from the penalties and  
261 disabilities provided in this subsection.

262 (g) If, at any time, the money deposited in the Real Estate Guaranty  
263 and Enforcement Fund is insufficient to satisfy any duly authorized  
264 claim or portion thereof, the commission shall, when sufficient money  
265 has been deposited in the fund, satisfy such unpaid claims or portions  
266 thereof, in the order that such claims or portions thereof were  
267 originally filed, plus accumulated interest at the rate of four per cent a  
268 year.

269 (h) The commissioner, from time to time, but not more than  
270 annually, may request funds from the commission in order to conduct  
271 investigations of claims and to take measures to prevent or forestall  
272 claims against the Real Estate Guaranty and Enforcement Fund.

273 Sec. 11. Section 20-324h of the general statutes is repealed and the  
274 following is substituted in lieu thereof (*Effective October 1, 2007*):

275 When the commission has caused to be paid from the Real Estate  
276 Guaranty and Enforcement Fund any sum to the judgment creditor,  
277 the commission shall be subrogated to all of the rights of the judgment  
278 creditor up to the amount paid, and the judgment creditor shall assign

279 all of his right, title and interest in the judgment up to such amount  
 280 paid to the commission, and any amount and interest recovered by the  
 281 commission on the judgment shall be deposited to the fund."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	20-311e
Sec. 2	<i>October 1, 2007</i>	20-314(f)
Sec. 3	<i>October 1, 2007</i>	20-314a
Sec. 4	<i>October 1, 2007</i>	20-320
Sec. 5	<i>October 1, 2007</i>	20-321
Sec. 6	<i>October 1, 2007</i>	20-324a
Sec. 7	<i>October 1, 2007</i>	20-324b
Sec. 8	<i>October 1, 2007</i>	20-324c
Sec. 9	<i>October 1, 2007</i>	20-324d
Sec. 10	<i>October 1, 2007</i>	20-324e
Sec. 11	<i>October 1, 2007</i>	20-324h